GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:578
ANSWERED ON:23.02.2001
DISINVESTMENT IN PUBLIC SECTOR UNITS
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Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government propose to offload its stake in blue chip Public Sector Units to Financial Institutions;

(b) if so, whether new schemes are being prepared in this direction;

(c) if so, the details thereof;

(d) whether the Government have taken up the matter with Financial Institutions; and

(e) if so, the response of the Financial Institutions thereto?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) Disinvestment of Government equity in Public Sector Enterprises is a continuous process. From the point of view of disinvestment of its equity in various Public Sector Enterprises, Government keeps examining various proposals. Typically, the proposals of disinvestment through `offer of share` method involves placement of shares with the financial institutions. However, the decisions of the Government in regard to the disinvestment of its equity in PSUs are governed by the disinvestment policy as enunciated from time to time. Its main elements are:

@ Restructuring and revive potentially viable PSUs;
@ Close down PSUs, which cannot be revived;
@ Bring down Government equity in all non-strategic PSUs to 26% or lower,if necessary;and
@ Fully protect the interests of workers

However, there is no separate scheme for disinvestment in case of blue chip Public Sector Units to Financial Institutions.

(b) to (e) Do not arise.